FINANCIAL SECRETARIAT.

Recognition by Government Departments of Powers of Attorney executed in favour of Banks by their constituents for collection of funds and payments of moneys in respect of supplies made or services rendered to Government.

READ—

Correspondence ending with the un-official Note No. 324—B. II, dated the 2nd January 1945, from the Comptroller to Government, regarding the recognition by Government of the Powers of Attorney executed in favour of recognised Banks by their constituents for the collection of funds and payments of moneys.

ORDER NO. FL. 3924-84—G. F. 198-44-2, DATED BANGALORE, THE 12TH MARCH 1945.

The question of generally permitting payments to be made to their banks of moneys due by Government to suppliers or contractors for supplies made by them to Government Departments, has been under consideration for sometime. It has been represented to Government that with proper safeguards they would not be put to any difficulty or inconvenience while the advantages that would accrue to suppliers and contractors by such a procedure would be many.

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2. On a consideration of all the circumstances of the case, Government are pleased to direct that payments due by Government to contractors and suppliers may, if so desired by them, be made to their banks instead of direct to the contractors or suppliers, provided that the department concerned obtains (*i*) an authorisation from them in the form of a legally valid document, such as a power of attorney or transfer deed, conferring authority on the bank to receive payment; and before settlement of the account or claim by payment to the said bank the parties' acceptance of the correctness of the account made out as being due to them by the Government is obtained on the bill or other claim preferred against the Government.

While the receipt given by a bank will constitute a full and sufficient discharge for the payment, contractors should, wherever possible, be induced to present their bills duly receipted and discharged through their bankers.

3. Nothing contained in this order should operate to create in favour of any bank any right or equities *vis-a-vis* the Government.

4. The Comptroller is authorised to issue necessary amendments to the Mysore Civil Account Code in this behalf.

B. S. RAGHAVENDRA RAO, *Finl. Secy*

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